

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Eleventh Finance Commission (EFC) recommended a total Local Bodies Grants of Rs. 518.94 crore (Rs. 394.12 crore for Panchayati Raj Institutions and Rs. 124.82 crore for Urban Local Bodies) for Karnataka for the period 2000-05. Government of India released a sum of Rs. 315.29 crore for Panchayati Raj Institutions and Rs. 124.82 crore for Urban Local Bodies to Government of Karnataka upto 31.3.2005, subject to the fulfilment of conditionalities attached to the release of grants and taking into account the pace of utilization of grants upto a prescribed period.

(b) and (c) The Twelfth Finance Commission (TFC) has recommended grants-in-aid of Rs. 1458.12 crore for maintenance of roads and bridges and Rs. 205.12 crore for maintenance of public buildings to Karnataka for 2006-2010. These grants are to be released in two-equal installments in a financial year. While there will be no pre-condition for release of 1st installment in any year, the 2nd installment will be released on the fulfilment of the conditions laid down by the Commission. 1st instalment of grants-in-aid for 2006-07 has already been released to the State and the release of 2nd instalment is being processed based on the conditionalities specified by the TFC. The State Government is expected to utilize the grants released by Government of India during the year it is released.

Promotion of small savings schemes

2922. SHRIMATI BRINDA KARAT: Will the Minister of FINANCE be pleased to state:

(a) the steps taken by Government to promote the small savings scheme to ensure social security;

(b) if so, the details thereof and the interest rates given; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c): The small savings schemes administered by the Government of India carry different tenor and rates of interest. A statement showing the schemes currently in operation and the rate of interest/maturity value is annexed (See below). The schemes are designed to provide safe and attractive investment option to the different sections of small investors. The Central and State Governments take various

steps from time to time to promote and popularize these schemes including through the print and electronic media, by arranging seminars and meetings and providing training to the various agencies involved in mobilizing the collections. Recently, a website of National Savings Institute under the Ministry of Finance has been launched to facilitate the interface of citizens with the Government on issues concerning small savings schemes. The website address is nsiindia.gov.in.

Statement

Small Savings Schemes currently in Operation-Rate of Interest/Maturity Value

Name of the Scheme	Rate of Interest per annum/ Maturity Value (w.e.f. 1.3.2003)
1. Post Office Savings Account	3.50%
2. Post Office Recurring Deposit (5 years) (Maturity value of Rs. 10 denomination account)	Rs. 728.90
3. Post Office Monthly Income Scheme (6 Years)	8.00%
4. Post Office Time Deposit	
(a) 1 Year Deposit	6.25%
(b) 2 Year Deposit	6.50%
(c) 3 Year Deposit	7.25%
(d) 5 Year Deposit	7.50%
5. National Savings Certificate-VIII Issue (6-Years) (Maturity value for a certificate of Rs. 100 denomination)	Rs. 160.10
6. Kisan Vikas Patra	Amount doubles in 8 years 7 months
7. Public Provident Fund Scheme (15 years)	8.00%
8. Senior Citizens Savings Scheme (5 Years)	9.00%